

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6958

BILL NUMBER: SB 264

DATE PREPARED: Dec 23, 1998

BILL AMENDED:

SUBJECT: County correctional funds.

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FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that if a county receives community corrections grant funds for adult offenders, the county legislative body is required to participate at level 2 or level 3 funding under the law concerning county corrections funds. It provides that if a county submits a grant application under the law concerning state grants to counties for community corrections, the county legislative body shall elect to participate at level 2 or level 3 funding during the fiscal year for which the financial aid is requested. It also increases the dollar amount of multipliers used for level 1 funding, level 2 funding, and level 3 funding in the law concerning county corrections funds.

Effective Date: July 1, 1999.

Explanation of State Expenditures: Passage of this bill may reduce DOC expenditures for felons housed in county jails by allowing DOC to exchange them for misdemeanants presently committed to DOC facilities. As of November 16, 1998 there were 188 misdemeanants residing in DOC facilities. (404 were admitted in FY 98.)

This bill requires all counties participating in community corrections programs (CCP), under IC 11-12-2, that also receive county corrections funding for adult offenders (IC 11-12-6) to participate in Level 2 or 3 funding. Counties receiving Level 3 funding may not commit misdemeanants to DOC facilities. Level 2 funding allows counties to commit a certain number of misdemeanants to DOC.

Passage of this bill will require an increase in funding to counties participating in Levels 2 and 3 (no counties participate in Level 1 funding). If the counties currently participating in community corrections program funding, continue to do so at present levels, **the additional CCP funding necessary would be between \$585,900 and \$760,000.** This range also takes into account new counties required to participate in either Level 2 or 3 funding (see under Local Expenditures). Currently, 93% of 72 participating counties receive Level 3 funding. **The FY 96 county corrections grant appropriation was \$2.3 M.**

Due to DOC facility overcapacity, 1,458 felony offenders are housed (as of December 14, 1998) in county jails at a cost of \$35 per day. Of the 188 misdemeanants committed by counties to DOC facilities, 167 come from counties participating in a community corrections program. The daily cost of housing a felon in a DOC facility is \$5 a day (including food and medical services). **Based on the daily cost difference of \$30 a day to house a felon in a county jail, exchanging with counties 167 DOC misdemeanants (used as a daily average) for county felons could save the DOC about \$1.83 M in annual expenditures.**

Explanation of State Revenues:

Explanation of Local Expenditures: Eight counties that receive CCP funding, but do not participate in county correction grants, would be affected by this bill. Depending on court decisions and placement arrangements, this bill may cause an increase in county placement expenditures, especially for counties that have historically placed numerous offenders in DOC facilities. (e.g., Elkhart and Madison counties accounted for 72% of the 156 misdemeanants committed to DOC as calculated in September, 1996.)

Explanation of Local Revenues:

Current Level 3 Counties: Sixty-seven counties currently participate in Level 3 funding. These counties will each receive an increase of \$500 (from \$3,500 to \$4,000), times their respective base integers. **The total paid to these counties would increase by \$297,000 to \$2.38 M.** (Base integers were set in 1985 according to county misdemeanor placements placement in DOC at that time.)

Current Level 2 Counties: Five counties (Decatur, Franklin, Randolph, Rush, and Union) currently receive Level 2 funding of \$2,700. This figure would increase by \$800 under this bill to \$3,500. **These counties will receive increased funding, up to \$12,000.** Total funding for these counties may vary between \$45,500 and \$52,500. (Counties participating in Level 2 funding will receive Level 2 funding only if they send fewer misdemeanants than equals 33% of their respective base integers. See example below.)

New Level 2 or 3 Counties: Eight counties (Allen, Elkhart, Johnson, Madison, Montgomery, Vermillion, Warren, and Wayne) would be required to begin participating in Level 2 or 3 county grant funding under this bill. Depending on the decision of each county to participate in Level 2 or 3 funding, **these counties would receive a combined total of between \$283,500 to \$456,000** (based on each county's current base integer and number of misdemeanants sent to DOC). Currently, 93% of 72 participating counties receive Level 3 funding. See under Local Expenditures for additional information concerning these nine counties.)

Level 2 Funding Explained: CCP funding is paid at the end of each fiscal year according to each county's level of funding and the number of misdemeanants sent to DOC. The Level 2 funding figure is multiplied by the difference between the county base integer and the number of misdemeanants sent to DOC. If a county exceeds 33% of its base integer, it will receive Level 1 funding figure (\$2,200) times the difference from its base integer, as is illustrated below:

Decatur County Base Integer: 7

Under Level 2 funding, 2 prisoners may be sent to DOC facilities

	<u>Case 1</u>	<u>Case 2</u>
Hypothetical misdemeanants sent to DOC	2	3
Difference from Base Integer	5	4
Level 2 Funding	\$3,500	

Level 1 Funding		\$2,200
Total Funding	\$17,500	\$8,800

State Agencies Affected: Department of Correction.

Local Agencies Affected: Counties receiving CCP funding.

Information Sources: Planning Division, Department of Correction.